

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

Criminal Action No.
5:10-CR-461 (GTS)

v.

JEANNE MAHER,

INDICTMENT

Vio: 18 U.S.C. §1349 (One Count)
18 U.S.C. §1343 (One Count)

Defendant.

THE GRAND JURY CHARGES:

INTRODUCTION

At all times relevant to this Indictment:

1. StudioTraffic was an organization that represented itself to be an investment mechanism whereby "members" could open an account by depositing money with StudioTraffic and thereafter earn a return on their investment. StudioTraffic advertised exclusively through member referral and the internet. StudioTraffic claimed to be part of a larger organization that included several subsidiaries, including StudioPay, StudioRocks and StudioCares.

2. StudioTraffic represented that its members would earn money by surfing a set number of internet pop-up ads each day and that it provided "members with the opportunity to earn money for viewing other members' web pages." Members were told they would earn 1% on their investment each day they viewed the required number of internet advertisements. These earnings were referred to as "sales commissions." On its website, StudioTraffic represented:

Now let's assume you deposited \$1,000.00 into your StudioTraffic Account on 1st day of January 2006. You earn 1% or \$10.00 daily by

surfing the minimum required using the automated advertising tool. After 31 days, you would earn \$311.00. . . . After one year, your account level would have reached \$18,420.00 and your profit is \$17,420.00! Of course, you may withdraw your profit ANYTIME during the year.

3. In truth and fact, StudioTraffic did not create any “profit” independent of the investment by members, and members’ internet “surfing” activity generated no income. Rather, member funds were redistributed to other members to provide the appearance that “profit” was being credited to members’ accounts and were, for a time, distributed to those who asked to withdraw their “profit.”

COUNT 1: CONSPIRACY TO COMMIT WIRE FRAUD

4. The allegations set out in paragraphs 1 through 3 are hereby realleged as if fully set forth herein.

5. From in or about 2004 to on or about March 2006, the defendant, **JEANNE MAHER**, and others known and unknown to the grand jury, did unlawfully, willfully, and knowingly combine, conspire, confederate, and agree to commit an offense against the United States as follows:

(a) Having devised and intending to devise a scheme and artifice to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, transmitted and caused to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures, or sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343.

MANNER AND MEANS

6. **JEANNE MAHER** and her co-conspirators falsely and fraudulently represented StudioTraffic to be a profitable business.

7. In May 2004, **JEANNE MAHER** agreed with her conspirators to operate as a conduit for member funds being solicited by StudioTraffic.

8. In May 2004, **JEANNE MAHER** created a limited liability company in the name of StudioPay that operated out of her home in Bridgeport, New York.

9. One or more members of the conspiracy represented that StudioPay was the in-house payment "processor" for StudioTraffic, whereby investments in StudioTraffic could be made through StudioPay.

10. **JEANNE MAHER** opened bank accounts in the Northern District of New York in the name of StudioPay in order to accept member funds for StudioTraffic, including accounts opened at Oneida Savings Bank, HSBC and Solvay Bank.

11. **JEANNE MAHER** received into bank accounts that she maintained funds that StudioTraffic members sent by interstate wire transfers in accord with instructions posted on the StudioPay website.

12. **JEANNE MAHER** used payments made by members for StudioPay LLC's corporate operating expenses and did not hold members' payments separate from funds designated for corporate operating expenses.

13. **JEANNE MAHER** and her co-conspirators fraudulently induced members to invest money with StudioTraffic on the promise that profits generated by StudioTraffic would be available to pay the members a 1% per day rate of return on their investment, when in truth and fact, no such

money was available because no money was generated by StudioTraffic from any members' internet surfing activity and no "profit" was ever earned by members. Rather, member funds were redistributed to other members to provide the appearance that "profit" was being credited to members' accounts and were, for a time, distributed to those who asked to withdraw their "profit."

OVERT ACTS

14. In furtherance of the conspiracy and to effect the objects thereof, **JEANNE MAHER** and her co-conspirators committed and caused to be committed the following overt acts, among others, in the Northern District of New York and elsewhere:

15. On or about the dates listed below, **JEANNE MAHER** opened bank accounts in the name of StudioPay LLC as described below:

Overt Act #	Financial Institution	Account Name	Account Number(s)	Date Opened
15(a)	Oneida Savings Bank	StudioPay LLC	*****3163	6/10/04
15(b)	HSBC	StudioPay LLC	*****3893	9/27/04
15(c)	Solvay Bank	StudioPay LLC	****3556	3/7/05
15(d)	Solvay Bank	StudioPay LLC	***9556	8/3/05
15(e)	Solvay Bank	StudioPay LLC	****4026	9/30/05
15(f)	National InterBank	StudioPay LLC	*****1763	8/3/04
15(g)	National InterBank	StudioPay LLC	*****2389	4/13/05
15(h)	National InterBank	StudioPay LLC	*****3305	4/18/05
15(i)	National InterBank	StudioPay LLC	*****2788	5/26/05

16. On or about the dates listed below, **JEANNE MAHER** deposited or caused to be deposited to an account in the name of StudioPay LLC at Solvay Bank, personal checks in the amounts listed below, all of which were payments made by StudioTraffic members:

Overt Act #	Deposit Date	Check No.	Amount	Payor
16(a)	9/26/05	124	\$7,500.00	VF – Los Angeles, CA
16(b)	10/24/05	6221	\$5,000.00	EA– Tetonia, ID
16(c)	11/17/05	103	\$1,000.00	WB - Rainville, AL
16(d)	12/5/05	1004	\$4,000.00	YJ– Houghton, MI
16(e)	12/8/05	1852	\$7,500.00	AM– San Francisco, CA

17. On or about the dates listed below, **JEANNE MAHER** caused wire transfers to be made to an account in the name of StudioPay LLC at Solvay Bank, in the amounts listed below, all of which were payments made by StudioTraffic members:

Overt Act #	Date	Amount	Payor
17(a)	9/28/05	\$5,000.00	PKM
17(b)	9/29/05	\$3,000.00	TRL
17(c)	10/3/05	\$500.00	RAJ
17(d)	10/3/05	\$6,000.00	TWF
17(f)	10/5/05	\$1,000.00	LM
17(g)	10/7/05	\$2,000.00	JSK
17(h)	10/25/05	\$3,000.00	JRB
17(i)	10/28/05	\$1,000.00	GLW
17(j)	10/28/05	\$3,000.00	SM
17(k)	11/2/05	\$6,000.00	BAL
17(l)	11/3/05	\$1,000.00	TT
17(m)	11/9/05	\$4,500.00	DVH
17(n)	11/17/05	\$25,353.05	TBZ
17(o)	12/05/05	\$3,186.00	LJ
17(p)	12/8/05	\$2,000.00	GAD
17(q)	12/9/05	\$3,000.00	AVK
17(r)	12/12/05	\$25,000.00	TBZ
17(s)	1/4/06	\$680.00	BJB

17(t)	1/6/06	\$3,088.00	NTL
17(u)	2/1/06	\$20,000.00	TBZ
17(v)	2/7/06	\$11,170.00	DLO
17(w)	2/21/06	\$4,000.00	WBD
17(x)	3/8/06	\$41,000.00	JK
17(y)	3/3/06	\$500.00	CW
17(z)	3/10/06	\$2,330.00	JDB

All in violation of Title 18, United States Code, Section 1349.

COUNT 2: WIRE FRAUD

18. The allegations set out in paragraphs 1 through 3 are hereby realleged as if fully set forth herein.

19. From in or about 2004 to in or about March 2006, in the Northern District of New York and elsewhere, **JEANNE MAHER**, having devised and intended to devise a scheme and artifice to defraud and for the purpose of obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, executed that scheme and artifice to defraud by causing to be transmitted in interstate commerce, a wire communication, in that on or about November 3, 2005, **JEANNE MAHER** did cause to be transmitted in interstate commerce by means of a wire communication, an electronic money transfer in the amount of \$9015.00 from Missoula Federal Credit Union in Missoula, Montana to the StudioPay, LLC, account at Solvay Bank in Bridgeport, New York.

SCHEME AND ARTIFICE TO DEFRAUD

20. **JEANNE MAHER** represented StudioTraffic to be a profitable business when, in truth and fact, as the defendant well knew, StudioTraffic was not generating profits.

21. **JEANNE MAHER** solicited investment in StudioTraffic, promising that each member would earn profit from surfing certain websites.

22. **JEANNE MAHER** diverted some StudioTraffic members' investments to her own benefit and the benefit of others.

23. Some member investments were redistributed to other members to provide the false appearance that profit was being generated by StudioTraffic and credited as profits in the other members' accounts.

24. Once members were unable to obtain the payment of their "earnings" or return of their investments, **JEANNE MAHER** falsely lulled StudioTraffic members, communicating to concerned members and falsely informing them that their accounts were safe and that repayment was being delayed by purely technical problems.

All in violation of Title 18, United States Code, Section 1343.

FORFEITURE ALLEGATION

25. The allegations contained in Counts One and Two of this Indictment are hereby realleged and incorporated by reference as though fully set forth herein.

26. As a result of committing the offenses alleged in Counts One and Two of the Indictment, defendant

JEANNE MAHER

shall forfeit to the United States, pursuant to 18 U.S.C. §§ 982(a)(2), all property real and personal, involved in said offense, and all property traceable thereto, including but not limited to the following:

Money Judgment

27. The United States intends to forfeit property, including but not limited to, the sum of the money involved in and/or traceable to each offense set forth in Counts One and Two of the Indictment.

Substitute Assets

28. If the property described above as being subject to forfeiture, as a result of any act or omission of the defendant

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

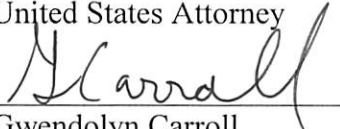
it is the intention of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the forfeiture judgment.

Dated: September 30, 2010

A True Bill

*Name redacted


Grand Jury Foreperson

By: Richard S. Hartunian
United States Attorney

Gwendolyn Carroll
Assistant United States Attorney
Bar Roll No. 515777